HC-KAR

NC: 2026:KHC:33979
WP No. 19692 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 7TH DAY OF JULY 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 19692 OF 2026 (T-RES)

BETWEEN:

M/S SANJANA ENTERPRISES
PROPRIETORSHIP
REPRESENTED BY PROPRIETOR
SMT. SHRUTHI K B
W/O MOHAN KUMAR S R
AGED ABOUT 37 YEARS
HAVING REGISTERED ADDRESS
ASSESMENT NO-1198/622,
OPP BDO OFFICE
DG ROAD, TURUEVEKERE, TUMAKURU,
KARNATAKA 572 227.

...PETITIONER

(BY SRI. AJAY KUMAR N., ADVOCATE)

AND:

1. THE COMMERCIAL TAX OFFICER
SGSTO-171, TIPTUR
OPPOSITE TO KALPATARU COLLEGE,
B.H ROAD TIPTUR 572 201

2. THE JOINT COMMISSIONER OF

COMMERCIAL TAXES (ADMN), DGSTO-6
3RD FLOOR, KIADB BUILDING, 14TH CROSS
PEENYA 2ND STAGE,
BENGALURU 560 058.

3. THE COMMISSIONER OF COMMERCIAL TAXES
VANIJYA THERIGE KARYALAYA-1,
1ST FLOOR, GANDHINAGAR,
BENGALURU-560009.

...RESPONDENTS

(BY SRI.K. HEMA KUMAR., AGA)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO A. QUASHING AND SETTING ASIDE THE PRE INTIMATION NOTICE BEARING NO. CTO/SGSTO-171/TPR/DRC- 01A/24-25DATED 19.11.2024 ALONG WITH SUMMARY IN FORM GST DRC-01A BEARING REFERENCE NO. ZD2911240827909 ISSUED BY RESPONDENT NO.1UNDER SECTION 73(5) OF THE CGST/KGST ACT 2017 WHICH IS PRODUCED AT ANNEXURE-B; (B) QUASHING AND SETTING ASIDE THE SHOW CAUSE NOTICE DATED 26.11.2024 BEARING NO. CTO/SGSTO-171/TPR/DRC-01/24-25 UNDER SECTION 73 OF THE CGST/KGST ACT, 2017 ALONG WITH SUMMARY IN FORM GST DRC-01 DATED 26.11.2024 BEARING REFERENCE NO. ZD291124136525F ISSUED BY RESPONDENT NO.1, WHICH IS AT ANNEXURE-C; (C) QUASHING AND SETTING ASIDE THE ORDER-IN-

ORIGINAL BEARING NO. CTO/SGSTO- 171/TPR/DRC-07/MNRG/T. NO. /2024-25 DATED 25.02.2025 ALONG WITH SUMMARY OF ORDER IN FORM GST DRC-07 BEARING REFERENCE NO. ZD2902251109748 DATED 27.02.2025. PASSED BY RESPONDENT NO.1, WHICH IS AT ANNEXURE-D; (D) DIRECTION REMANDING THE MATTER TO RESPONDENT NO.1 TO THE STAGE OF REPLY TO THE SHOW CAUSE NOTICE, LEAVING ALL RIGHTS AND CONTENTIONS OF THE PARTIES EXPRESSLY OPEN, AND THEREAFTER DIRECT RESPONDENT NO.1 TO PROCEED AFRESH IN ACCORDANCE WITH LAW AFTER AFFORDING THE PETITIONER A FULL, FAIR AND EFFECTIVE OPPORTUNITY OF FILING OBJECTIONS AND BEING HEARD IN THE MATTER.

THIS PETITION, COMING ON FOR ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE B M SHYAM PRASAD

ORAL ORDER

The petitioner's grievance is with the Adjudication Order dated 25.02.2025 [*Annexure-D*]. Sri Ajay Kumar N., the learned counsel for the petitioner, argues for this Court’s interference with this Adjudication Order and subsequent proceedings contending that the proceedings are initiated based on verification of certain transactions on the website maintained by a third-party entity and that cannot be a reason to commence proceedings against the petitioner. The learned counsel argues that notwithstanding this ground, the petitioner, if extended with another opportunity, would produce material to justify the declarations in Form GSTR-3B.

2. Sri K. Hema Kumar, the learned Additional Government Advocate who accepts notice for the respondents, points out that the proceedings are initiated because transactions of outward supply to different Grama Panchayats are not declared in Form GSTR-3B and that though the petitioner has not responded to the intimation in GST DRC - O1A, the petitioner's representative has filed reply when the show cause notice is issued in GST DRC-01. The

learned Additional Government Advocate argues that the Adjudicating Officer has rightly not accepted the reply and the documents because they are related to different outward supplies and not to the outward supplies mentioned in both the Intimation in GST DRC - O1A and the show cause notice in GST DRC - 01.

3. The material parts of the Adjudication Order in these regards are as follows:

> *"On verification of Mahatma Gandhi National Rural Employment Guarantee Act [MGREGA] Website, that is mnregaweb2.nic.in, it is noticed that, the taxable person has effected outward supply of goods material like sand and soil, boulders, Cement, jelly, Gravel, Bricks, Iron and Seel, Pipes paint etc., to various Grama Panchayats as depicted in the chart below under MGNREGA Scheme for tax periods from April – 2020 to March 21. But on verification of GST Prime and BOWEB, it is noticed that, the taxable person has not declared the said turnover of material supply in GSTR 3B returns and failed to discharge the applicable taxes and thereby*

contravened the provisions of section 39 read with section 37 of the KGST Act, 2017. The details of goods supplied to various Grama Panchayats are under:

Year	District	Taluk	Name	GSTIN	AMOUNT
2020-21	TUMAKURU	TIPTUR	SANJANA ENTERPRISES	29INAPS5447C1ZP	2166863

.......In response to the show cause notice, the taxpayer filed a reply and submitted that the Tax already been paid on MGNREGA. But on verification of the details submitted, the taxpayer is engaged in Trading of stationary items and has issued tax invoices for the said items in the period 2020-21. Further, the taxpayer has issued invoices pertaining to stationary items to various panchayaths which do not amount to material supply to MGNREGA scheme. Thus, the request of the taxpayer is hereby rejected, and the Show Cause Notice is confirmed as order u/s.73 of the CGST/KGST Act, 2017 as under:...........”

Sri Ajay Kumar N. submits that his definite instructions are that none from the petitioner has filed any response to the show cause notice in GST DRC-01.

4. This Court must observe from the above extracted portion that if proceedings are initiated on the ground that the outward supply is of building materials, the response is based on invoices relating to stationery items which the petitioner disowns. There could be an error in referring to the invoices relating to stationery items, and this Court is of the view that the petitioner must have another opportunity to produce all documents and raise additional grounds, but the petitioner must be put on terms. In the light of the afore, the following:

ORDER

The petition is allowed and the Adjudication Order dated 25.02.2025 *[Annexure-D]* is quashed subject to the following terms.

[A] The proceedings under the Intimation dated 19.11.2024

[*Annexure-B*] and the Show Cause Notice dated 26.11.2024 [*Annexure-C*] are restored to the first respondent for due consideration.

[B] The petitioner is permitted to file, along with a certified copy of this Order, the copies of the documents in response to the Show Cause Notice dated 26.11.2024 [*Annexure-C*].

[C] The petitioner shall produce these documents by ***20.08.2026*** and the first respondent shall consider these documents and then conclude the proceedings by a reasoned order.

Sd/-
(B M SHYAM PRASAD)
JUDGE

SA
Ct:sr